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Public Service Commission of Wisconsin  
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September 28, 2006

**VIA ERF**

Ms. Sandra Paske, Secretary  
Public Service Commission of Wisconsin  
610 North Whitney Way  
P.O. Box 7854  
Madison, WI 53707-7854

Re: **PSC Docket No. 137-CE-139:**  
Application of American Transmission Company, as an Electric Public  
Utility, to Construct a New 138 kV Line from the North Madison  
Substation to the Huiskamp Substation in the Towns of Vienna and  
Westport in Dane County, Wisconsin

Dear Secretary Paske:

American Transmission Company LLC and ATC Management Inc. ("ATC") have received the Sierra Club Four Lakes Group's ("Sierra Club") revised application for intervenor compensation, filed on September 24, 2006. The application begins with a prediction "that this case will be combined with other Dane County transmission line cases, or that the analysis conducted in preparation for this proceeding will be valuable to parties and staff in additional Dane County transmission line cases." Sierra Club then proposes to conduct a broad investigation and analysis. However, the Sierra Club proposal is too broad for this docket. ATC does not oppose Sierra Club's application for intervenor compensation but believes the amount requested is too large.

The proposed North Madison-Huiskamp Project is designed to solve the "Waunakee Problem", which is a local load-serving problem. Sierra Club admits that its grant request is intended to fund a larger analysis of future Dane County projects (for which no applications have yet been submitted). There is no need to award compensation for an evaluation of projects that have not yet been fully developed and submitted to the Commission. Indeed, an analysis of those other projects could not be undertaken until their details are finalized.

ATC understands the Commission's budget for intervenor compensation for the fiscal year (July 1, 2006 to June 30, 2007) is \$500,000. By requesting \$123,850, Sierra Club is requesting about 25% of the annual intervenor compensation budget for an 8.5 mile line intended to solve local load-serving issues. In an attempt to align Sierra Club's request more in keeping with the Commission's annual budget, ATC offers the following thoughts on the application:

# MICHAEL BEST

& FRIEDRICH LLP

Ms. Sandra Paske, Secretary  
September 28, 2006  
Page 2

Hanson: Mr. Hanson apparently will primarily speak to demand side management from a regional Dane County perspective. Mr. Hanson proposes to conduct 355 hours (\$44,425) of work that would analyze energy efficiency initiatives on a regional level. But this analysis is unnecessary for resolving the local Waunakee Problem. Therefore, Mr. Hanson's proposed analysis is simply too broad and is inappropriate for this docket.

Lanzalotta: Sierra Club has proposed 297 hours, for a total cost of \$41,600, for Mr. Lanzalotta's participation. Mr. Lanzalotta will apparently conduct a system's analysis to pinpoint need and develop alternatives to the Project. However, Mr. Lanzalotta will be evaluating "additional transmission lines in Dane County," i.e., he also will be doing a broader analysis than is required for this docket.

Attorneys Fees: The attorneys are proposing 203 hours of work at cost of \$35,525. These estimated fees erroneously assume that this proceeding will encompass a broad analysis of the need in Dane County generally and evaluate regional alternatives. Since the issues in this docket are significantly narrower, the attorneys fees should be significantly reduced.

Expenses: The amount of expenses sought—especially for witness travel and accommodations—seems excessive for the 16 hours of hearing projected by the Sierra Club and should be reduced.

In total, ATC suggests that an award of about \$35,000 is more than sufficient for a case of this nature and scope and given the other significant projects which may generate additional requests for intervenor compensation this fiscal year. (\$35,000 represents about 7% of the Commission's annual budget for intervenor compensation.)

ATC fully supports intervenor analysis of viable alternatives for solving the Waunakee Problem. But, in this case, the set of viable alternatives—for solving constraints in local load service—is small. Accordingly, a broad analysis of the Dane County area as proposed by Sierra Club is unnecessary and inappropriate for this docket.

Very truly yours,

**MICHAEL BEST & FRIEDRICH LLP**

/s/ Lauren L. Azar

Lauren L. Azar

LLA:kar

cc: Service List dated September 27, 2006 as specified on the Commission website  
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BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of American Transmission )  
Company, as an Electric Public Utility, to )  
Construct a New 138 kV Line from the North )  
Madison Substation to the Huiskamp Substation )  
in the Towns of Vienna and Westport in Dane )  
County, WI )

137-CE-139

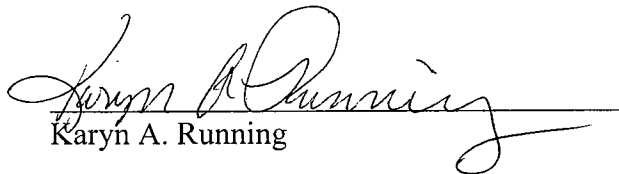
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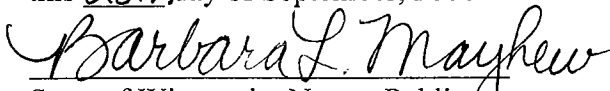
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STATE OF WISCONSIN     )  
                                      : ss  
COUNTY OF DANE         )

I, Karyn A. Running, hereby state that on this 28<sup>th</sup> day of September, 2006, I caused true and correct copies of ATC's correspondence regarding Sierra Club's revised application for intervenor compensation to be served via U.S. Mail upon the Service List dated September 27, 2006 as specified on the Commission website (the "Service List") and via electronic mail to everyone on the Service List with an email address.

  
Karyn A. Running

Subscribed and sworn to before me  
this 28~~th~~ day of September, 2006.

  
\_\_\_\_\_  
State of Wisconsin, Notary Public  
My commission expires: 10-18-09